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CC APRIL



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

440 West 200 South, Suite 500

Salt Lake City, UT 84101-1345

<http://www.blm.gov/ut/st/en.html>



OCT 19 2015

IN REPLY REFER TO:

3504

UTU-72699

(UT-9223)

RECEIVED

OCT 22 2015

DIV. OF OIL, GAS & MINING

CERTIFIED MAIL – 91 7199 9991 7034 9478 2581

Return Receipt Requested

DECISION

Lexco Holding, LLC
c/o American Gilsonite Company
29950 South Bonanza Highway
Bonanza, Utah 84008

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Gilsonite Lease
UTU-72699

Production Royalty Rate Adjusted

Gilsonite lease UTU-72699 was issued on March 21, 1996, effective April 1, 1996. The terms and conditions of this lease, under Section 2 (a), provide that the Bureau of Land Management (BLM) Authorized Officer review the royalty rate after the 10th lease year. The royalty rate may be adjusted to a maximum rate of 12% for years 16 - 20 after the issuance of the lease.

Pursuant to this provision of the lease the production royalty rate is increased to 12%, effective November 1, 2015.

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4, and the enclosed Form 1842.1. If an appeal is taken, your notice of appeal must be filed in this office (at the above address) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition (pursuant to regulation 43 CFR 4.21)(58 FR 4939, January 19, 1993) (request) for a stay (suspension) of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and petition for a stay **must** also be submitted to

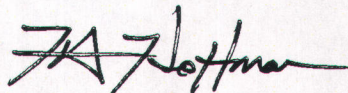
each party named in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed in this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied,
- (2) The likelihood of the appellant's success on the merits,
- (3) The likelihood of immediate and irreparable harm if the stay is not granted, and
- (4) Whether the public interest favors granting the stay.

If you have further questions, please call Stan Perkes of this office at (801) 539-4036.



Kent Hoffman
Deputy State Director
Division of Lands and Minerals

cc: BLM Green River District Office (UTG00)

Mr. John Baza, Director, UDOGM, Box 145801, Salt Lake City, Utah 84114-5801

Office of Natural Resources Revenue, Solid Minerals Services, Reference Team, Attn:
Michael Anspach, Supervisor, P. O. Box 25165, Mail Stop 63230B, Denver, Colorado
80225-0165